

VZCZCXRO2863
RR RUEHAG RUEHDF RUEHIK RUEHLZ RUEHROV RUEHSL RUEHSR
DE RUEHMD #0773 2150736
ZNR UUUUU ZZH
R 030736Z AUG 09
FM AMEMBASSY MADRID
TO RUEHC/SECSTATE WASHDC 1036
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE
RUCPDOG/DEPT OF COMMERCE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS MADRID 000773

SIPDIS

STATE FOR EUR/WE, EEB/IFD/OMA
COMMERCE FOR 4212/D.CALVERT
TREASURY FOR OIA/OEE/T.O'KEEFFE,D.WRIGHT

E.O. 12958: N/A
TAGS: [ECON](#) [EINV](#) [ELAB](#) [SP](#)
SUBJECT: MADRID ECONOMIC WEEKLY, JULY 27-31

REF: MADRID 746

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GDP Falls Again, but by Less

1.(U) Spain's GDP fell by 0.9% between the first and second quarter, bringing the year-on-year decline to 4%, according to the Bank of Spain. Although the economy continued to contract, the decline was less than the 1.9% drop in the first quarter. (Europa Press, 7/30)

Unemployment Rises Slightly in June to 18.1%

2.(U) According to the EU's statistics office, unemployment rose to 18.1% in June, more than double the 8.9% EU average. Eurostat also revised its previously announced May unemployment figure down from 18.7% to 17.9%, meaning that unemployment continued to rise in June but is slightly lower than had been believed. Eurostat's new figures are in line with the Spanish National Statistics Institute (INE) announcement last week that unemployment was 17.9% in the second quarter as a whole. (EFE, 7/31; INE, 7/24)

Inflation Falls to -1.4%

3.(U) Year-on-year inflation fell to a record low of -1.4% in July, according to a preliminary National Statistics Institute estimate. Comment: It appears that prices actually rose slightly in July, but by less than they had risen in July 2008, when oil prices peaked. The year-on-year rate is expected to become less negative starting in August and to reach low positive numbers before the end of the year. (INE, 7/30)

U.S. Company Spain's Best to Work for

4.(U) Kimberly-Clark was named Spain's best large company to work for out of 147 that participated in Actualidad Economica magazine's annual survey. Spanish multinationals took the next three spots: Telefonica and the banks Banesto and Santander. Other U.S. companies in the top ten were Cisco Systems and GE. (Actualidad Economica, 7/24)
CHACON